WEATHER: FAIR

The Journal of Commerce

THE BUSINESS MAN'S DAILY

Vol. XXIX. No. 44

MONTREAL, FRIDAY, JUNE 26, 1914.

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BOOKS OPEN NOW FOR INSPECTION

Council For Companies in Dugal Inquiry Expresses Clients Willingness

St. John, N.B., June 26.—On resuming the Dugal inquiry into the Valley Railway matter this morning, Mr. B. Hal Brown, of the Prudential Trust Co., again was on the stand.

Mr. Carvell asked for a reply to his question of Wednesday for permission to inspect the books of the Valley Railway Company and St. John and Quebec Construction Company. Mr. D. Mullin, K.C., said the companies were willing, provided their solicitor was present. This was agreed to and an order made accordingly.

Mr. Carvell said he would expect A. R. Gould and his son, L. E. Gould, here not later than Tuesday.

Much time was taken up this morning in arguments of counsel over the evidence asked for by Mr. Carvell with reference to the $350,000 loan of which $207,000 had been repaid by railway funds provided for construction purposes.

In the course of the argument a loan of $50,000 by cheque to A. R. Gould was mentioned and Mr. Carvell wanted to know from Mr. Brown if the $207,000 covered that. The witness said it was part of the general transaction.

Commissioner Fisher suggested that the witness tell his own story, instead of testifying under cross fire of questions. Mr. Brown said that arrangements were made for the trust company to advance $350,000 not all at one time. There were two parties getting the loan, the St. John and Quebec Railway Company and a group of gentlemen. "We had their promise that the Quebec and St. John Construction Company should be made a party also as soon as organized." The agreement finally was admitted as evidence. It was read and found to be between the Prudential Trust Company and A. R. Gould, Fred J. Lisman, P. E. McDonnell, of the C. P. R., and Ross Thompson. It was dated May 29, 1912. All payments were to be made to A. R. Gould. The witness was being questioned about the agreement when Court arose for luncheon.

FIRE CONQUERED BUT LOSS IS GREAT

One Thousand Homes in Historic Salem Burned to Ground

LOSS ABOUT $10,000,000

While Many are Homeless, Only One Life is Known to Have Been Lost —Government Sends Aid Immediately.

Salem, Mass., June 26.—The fire which started yesterday afternoon here was apparently under control at 5 o'clock this morning. The loss was estimated at $12,000,000. The city continued under martial law with Governor Walsh in control. About twenty thousand people were rendered homeless, and over one thousand buildings were destroyed. The water supply was near exhaustion.

The burned district followed the lines of a rough semi circle, three miles in length and varying in width from half a mile to a mile and a half. Although many persons were injured, only one life was positively known, early to-day, to have been lost.

The charred body of a woman, thought to be a Mrs. Cunningham, was found in the ruins of a laundry and tenement building on Lafayette street.

10,000 Homeless.

At least ten thousand persons, a fourth of the city's population, were made homeless. Warm weather and a clear sky prevented any suffering from exposure on the part of the thousands who passed the night in the open. Many hundreds were sheltered in schools, churches and other public buildings in this city and Beverley, and in dwellings which had escaped the flames.

Before the fire had been finally checked relief measures and plans for rebuilding were under way.

Governor Walsh, Lieut. Governor Barry and Secretary of State Donahue spent the night here, and after a conference with the Mayor the Governor announced that tents and rations would be shipped to the city to-day. Governor Walsh also said that he would call a public meeting at the State House in Boston to-day to take further action in aid of the residents deprived of their homes.

Martial Law.

The companies of militia summoned to assist in maintaining order, patrolled the streets throughout last night and to-day Martial law was not declared, but no one was permitted to approach the fire swept area without a pass. Only a single attempt at looting was discovered, and this was frustrated, the three men concerned running away.

Before sunrise to-day crowds filled the streets surrounding the fire zone, and the militia men were kept busy restraining them from penetrating the great piles of bricks and blackened timbers.

From two o'clock yesterday afternoon, when a terrific explosion in the factory of the Korn Leather Company, at Proctor and Boston streets, started the fire, the flames raged practically unchecked until almost midnight. The explosion is thought to have occurred among highly inflammable chemicals used in the manufacture of patent leather.

The factory stood near the foot of Gallows Hill, famous as the hanging-place of witches in the early colonial days, at the western end of the city.

A High Wind.

A high wind carried the flames through the manufacturing district in that vicinity and thence southeastward to the heart of the city across the Boston & Maine railway tracks, and through a thickly populated tenement district in South Salem to the water front.

A shift in the wind sent the fire northward along Lafayette street, in a fashionable part of the city, and it was here that scores of beautiful mansions were burned.

The fire spread out to another manufacturing centre on the shore of the harbor and destroyed large factories.

In the intervening area scores of business houses were swept away.

Hospital Saved.

The Salem hospital was among the buildings burned but all the patients were safely removed. Great quantities of apparatus from neighboring cities assisted in fighting the flames and finally succeeded in checking their passage southward. To the eastward they burned themselves out at the waters edge. The final stand was made near the Boston & Maine Railway station. Here several buildings were dynamited. The station itself was only scorched, and the firemen at last gained the upper hand, saving the northeastern part of the city.

Another Outbreak.

A separate fire destroyed thirteen dwellings in North Salem, along Mason and North streets. This started in a pile of household goods stored in a shed and the police to-day said that they suspected that it was of incendiary origin.

Throughout most of the night the city was in darkness owing to the partial destruction of the electric lighting plant. Trolley and steam railway communication was cut off. The burned area to-day was a mass of bricks, with here and there a chimney gauntly standing out against the sky line, and pipes and wire tangled and twisted into fantastic shapes.

For further particulars of the Claflin failure, banks affected, total liabilities, other firms affected, etc., see Page 7.

HARD WORK ONLY BASIS OF LASTING PROSPERITY

People of Canada Must be Brought to Realise This Says Mr. Morley Donaldson of Grand Trunk Pacific

CONDITIONS RAPIDLY IMPROVING

General Manager of Transcontinental Says Laborers Will Soon be Busy Again — Grand Trunk Activities Will Relieve Depression in Labor Market — New Territory Opened up in British Columbia Said to be Wonderful District.

(By Professor W. W. Swanson.)

Mr. M. Donaldson, vice-president and general manager of the Grand Trunk Pacific, touched upon several of the more important phases of railway development in the West, when seen by the Journal of Commerce to-day.

"I am unable to understand how anyone can be pessimistic in Canada at the present time. It is true that in several directions we have gone heedlessly ahead, but no one can gainsay that our progress, on the whole, has been along progressive and legitimate lines. We have experienced, it is true, some of the ordinary and temporary trade reversals which are bound to come now and again to all countries, and especially to new lands that are immersed in the stupendous task of opening up vast natural resources and preparing homes for millions from the over-populated centres of the world. Canada has simply had to face conditions that have to be met by every civilized and industrialized country in the course of its history.

"What we need to keep in mind, especially in our country, is the absolute necessity of placing our immigrants upon the land. After all is said and done, the land is the great source of wealth to any people. It is the fundamental factor in economic production, and we have been prone in recent years to overlook that important point.

"In a rather unpleasant sense, however, our people have kept their eyes fixed upon the land, and have made an illegitimate use of this great natural resource. Instead of developing the land, and opening it up by cultivation, our people have been busily engaged for the last few years both in the East and in the West in speculating in lands and town sites, with the natural and inevitable result that values have been pushed up to a fictitious level, which could not in reason last. Such speculative activity is the curse of any country, and specially of a new country. What we need in Canada is to fix the attention of the people upon the true basis of lasting prosperity, which will be found in hard work and not in mere exchange of goods to which no real value has been added by productive efforts.

Causes of Reaction.

In the reaction, which has followed upon the heels of a land boom, many men were temporarily thrown out of work; but the condition of the labor market is being rapidly improved as new works of vast extent and importance are being developed in the West. It is not to be expected, of course, that railway construction will this year equal the average of 1911, 1912 and 1913; and yet a colossal undertaking in the Grand Trunk-Pacific is being pushed to a conclusion, and this in itself will take up the slack in labor as the work proceeds with accelerated pace.

"As I have said, the Grand Trunk Pacific will itself provide work for thousands of men on the construction which is under way. In addition to that, development is taking place in many of the urban centres of the West —notably in Winnipeg, Regina, Moose Jaw, Medicine Hat and Edmonton. I was greatly struck, in my recent tour over the Grand Trunk Pacific, in noticing the new undertakings that are transforming the economic life of these centres of population.

The Grand Trunk Pacific in British Columbia.

The G. T. P. is opening up a remarkable new territory in British Columbia. This district, which resembles the country within ninety or one hundred miles north of Toronto, is one hundred and twenty-five miles in breadth by two hundred miles in length. It is beautifully watered and timbered and gives scope for almost every line of agricultural activity, but especially for the raising of cattle and the conducting of ranching. Our line through British Columbia is opening up a territory which is altogether about six hundred miles in length. This country is covered with vast forests of spruce and many other kinds of trees of commercial value. Already, numerous mills are under construction there; and these will furnish cheap timber for the settlers along the lines of the Grand Trunk Pacific not only in British Columbia, but throughout the Prairie Provinces.

Marvellous Mineral Riches.

This country is marvellously rich in minerals of almost every description, but especially in iron, copper, silver and gold. One copper mine has been undergoing development for some time, and it is now shipping one hundred tons of ore per day; and this output is expected shortly to be increased to between three and four hundred tons of ore per day. This development has taken place, I should remind the readers of the Journal of Commerce, even before use could be made of the railway, and when the only shipping facilities at hand were rough trails through the forest. It strikes me that this country is one of the richest parts of Canada and on the whole one of the most favored districts in the whole wide world.

"When we have terminal facilities completed at Prince Rupert, and direct connections made via the Grand Trunk Pacific with Winnipeg, an immense and active trade will be opened up in the north country, the benefits of which will be experienced not only in British Columbia, but throughout the whole Dominion. It must not be forgotten that Prince Rupert will have a vast territory from which it can draw supplies both of men, of money, and of commodities of all kinds. through this port, the north country will feel immediate benefits of trade with the far East, with the United States and with Eastern Canada. Its traffic will be linked up especially with Seattle, Chicago and Winnipeg. Canadians of this generation really do not visualize, as they should, the epoch-making changes that are taking place before their eyes.

"We felt confident before we went into that country that it was one of the richest and most highly endowed on this continent, but the wonders that are continually being revealed to us are truly astonishing.

Crop Prospects in the West.

"In my tour of the West about ten days ago, I was greatly cheered by what I myself saw of the condition of the crops; and the reports from all sides are most encouraging. The West has had fair weather, and the growth of the crops has been splendid. There has been a very large increase in the acreage this year, and I expect that the harvest will be certainly as large as it was last year.

The G. T. P. will probably reach Prince Albert late this fall, and we also expect to get into Weyburn and will lay steel to Brandon in a short time. If conditions are satisfactory in the next month or six weeks, freight traffic will be opened up to Prince Rupert, and we shall follow this up in the autumn by opening up the line to passenger traffic also. In a word we are rushing the completion of our line with all possible speed in order that we may be in a position to take care of the business which already lies ready at hand, and also that we may bend every effort toward opening up this country to settlement.

More Immigrants Needed.

It is absolutely vital to Canada that the stream of immigration from the Old World, and especially from the United Kingdom, should be maintained and increased in volume. We have room for millions more upon the fertile lands of the West, and, indeed, upon the vast areas which are still unoccupied in Eastern Canada. It would be a fatal mistake to do anything to stem the flow of immigration, even at the present time—a great blunder and, as I have said, a fatal error. We need all classes, but especially mechanics, railway workers, farmers, farm laborers and domestic servants. The opportunities in this land of promise have never been as fair or as promising as they are to-day. The simple truth is, that Canada cannot be kept back. The momentum she has gained in the last decade is bound to carry her forward to greater achievements and to more notable results than she has ever attained in the past.

NOT HIS BUSINESS

(Special Correspondence.)

Sherbrooke, June 26. — Ex-President William H. Taft made a short stay here this morning in route for his summer home at Murray Bay. "I am out of politics now, I am a college professor," he said, in reply to an invitation to a Board of Trade luncheon on his return trip. Pressed for a statement with regard to complaints made against the United States tariff by American manufacturers said, "I am not responsible for the present tariff and I have no apology or defence to make for it."

"Judging by the number of branches of American industries in Sherbrooke," he said, "you are building up your city behind the tariff."

The ex-president was accompanied by his daughter and son-in-law. He will spend the summer in Murray Bay.

AN AERONAUT KILLED.

(Special to the Journal of Commerce.)

Kiel, Germany, June 26.— Captain Schroeder, of the German Navy, was killed here to-day by falling from a hydroplane.

PILGRIMS VISIT OTTAWA

(Special to The Journal of Commerce.)

Ottawa, June 24.—One hundred members of the Pilgrim Publicity Association comprising the most prominent advertising men in the New England States arrived here this morning en route for Montreal. They have been attending the convention of the associated advertising clubs of America at Toronto and reach Montreal shortly after six o'clock to-night. The party travelled from Toronto on a special train over the Grand Trunk Railway. They were welcomed on arrival by the Mayor of Ottawa, Mr. Taylor McVeity. After breakfast at the Chateau Laurier they were the guests of the city and were taken for a lengthy motor excursion. On their return luncheon was served at the Chateau Laurier and the Pilgrims again joined their special train proceeding to Lachine wharf to take the rapids trip into Montreal.

ANOTHER BAD FIRE.

Grimsby, Eng., June 26.—Fire in the dock district here to-day caused two hundred and fifty thousand dollars damage.

ENQUIRY REACHES ITS LAST STAGE

Mr. Aspinall Opened His Argument at 2.30 This Afternoon

END TOMORROW NIGHT

Expected That Opposing Counsel Will Occupy All Day To-morrow and Lord Mersey Will Make Address in Evening.

(Special Correspondence.)

Quebec, June 26 The Lord Mersey enquiry into the sinking of the Empress of Ireland by the Storstad reached its final stage this afternoon when the formal arguments between the representatives of the two vessels opened. It had been expected that court would meet at 2 o'clock but owing to the difficulty experienced by counsel in working through the immense amount of evidence the opening of argument was delayed until 2.30. Then Mr. Aspinall, for the Empress of Ireland, opened his argument and it is expected he will occupy the whole afternoon. He will be followed by Mr. Haight for the Storstad, and will then be given opportunity for a reply after which a final summing up will be made by Mr. Newcombe and it is expected this historic enquiry will conclude some time Saturday evening with an address from Lord Mersey.

Yesterday's Evidence.

Mr. Percy Hillhouse, of the Fairfield Shipbuilding and Engineering Company, Glasgow, who designed the ill-fated liner, contradicted Mr. Reid's theory regardin the rudder of the Empress of Ireland, given yesterday morning, in evidence, and he produced figures to prove tha tthe Empress' rudder was on a par with other large ships of her particular class. He also denied Mr. Reid by stating that the Empress was a good steering boat, and also gave his opinion that the collier struck the C. P. R. liner at an angle of 80 degrees. Mr. George Gibson, representing the National Sailors' and Firemen's Union of Great Britain, then addressed the court, and in the interests of the Fraternity he was representing, strongly recommended that there should be two men with able bodied seamen's rating to each life boat, and that boat drills be held in which all boats were fully maned and put over the side, instead of the present drill which usually consisted of hoisting out two boats at a drill. He made a strong plea in favor of the firemen by requesting that life rafts be placed adjacent to the stoke hold gangways and companions so that firemen on duty when an accident happened, would have a chance for their lives. He contended that firemen were invariably the last to get away from the ship owing to the nature of their work, and in many cases they reached the deck of a foundering steamer only to find the life boats gone.

ELECTRICIANS CLOSE CONVENTION

Interesting Papers This Morning and Elections This Afternoon

The last regular meting of the Convention of the Canadian Electrical Association, held this morning at the Ritz Carlton Hotel, was taken up with the presentation and discussion of a number of very interesting papers on technical points in the electrical industry. The election of officers for the ensuing year constituted the most important business of the afternoon session, and the convention will be formally brought to a close this evening by a dance in the ball room of the Ritz Carlton.

"Interruptions on Long Distance Transmission Lines, Their Origin, and Means of Prevention," was the subject of a paper read by Mr. P. Ackerman, of the Toronto Power Co., Limited. The object of this paer was to define the troubles affecting the operation of a transmission line and their causes, and to describe some of the problems relating to improving these unfortunte factors of high voltage transmission. These troubles were separately dealt with under the heads of lightning troubles, sleet and wind, birds and other outside interferences, unexpected insular failures, and short circuits in distributing system.

Mr. J. A. Shaw, chief electrical engineer of the Canadian Pacific Railway, presented "Some Notes on Steam Railway Electrification." He laid down the general principles of the subject, and cited the experience of different railways throughout America and Europe to show the economy of electrification where it could be carried out under favorable conditions. In speaking of the application of electricity to railroads as a motive power, he said:

"The determination of the preferable system for electrifying a section or branch of a railway, involves that best adapted for general service. If successful, the installation may be extended as electrification of other portions of the road may prove desirable. This will depend on the success obtained in economical and reliable operation. It is necessary in view of further extensions to select a system suitable for general conditions to obtain interchangeability in rolling stock. Possibly different systems may be used on different parts of a road, but each will have to operate under all conditions on the district on which it is installed.

Three systems now exist which include all which need be considered in view of the present state of electrical development. One, the three-phase alternating, is not suitable for general electrification, on account of requiring two trolleq wires, with the resulting complications and the peculiar characteristics of the motors employed. The remaining two systems are single-phase alternating current, and the 2,400-volt direct current."

The remainder of Mr. Shaw's discussion was taken up with the discussion of the comparative advantage of thsee three systems.

Mr. H. J. Madysick, of Cleveland, closed the morning meeting with a paper on "High Efficiency Incandescent Lamps and Their Application."

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One hundred yards north of Sherbrooke Street—a three-storey semi-detached, stone residence, in good order. Contains eight bedrooms, exclusive of maids' rooms. Lot 45 feet by 145 feet; area 6,650 feet. Immediate possession.
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FOUND BUTTER GOOD

Federal Analyst, After Careful Examination, Returns Satisfactory Report Regarding Market.

Ottawa, Ont., June 26.—The Inland Revenue Department has just issued a report, submitted by A. McGill, Chief Analyst, upon 340 samples of butter collected throughout Canada during the months of November and December, 1913, and January of this year. To this is added as an appendix a report of 26 samplec collected in March, 1913 in the district of Quebec for the special purpose of ascertaining whether oleomargerine was being offered in these markets, as was asserted by certain parties.

"It is satisfactory," says the report, "that all samples obtained were found genuine."

The following synopsis shows the results of the inspection:

Found genuine, 316 samples; passed as within reasonable and explicable limits of error, 18; advertised for excess of water or for notable deficiency in butter fat, 6; samples reported in appendix, '26; total, 366.

MAKES A QUICK RUN.

(Special to The Journal of Comerce.)

New York, June 26.—The Aquitania arrived this morning from Liverpool, making the run in five days, sixteen hours and nineteen minutes. Charles Booth, of the Cunard Co., was a passenger.

WILL RAISE RATES ON NEWSPAPERS

Post Master General Decides to Put Higher Scale Into Force

ONE CENT PER COPY

In Place of Old Rate of a Quarter of a Cent per lb. Newspaper Publishers Will Have Heavier Burden to Carry.

(Special Correspondence.)

Ottawa, June 26.—Hon. L. P. Pelletier, Post Master General, has decided to raise the postal rates on newspapers and periodicals as it is claimed he has the right to do so, by virtue of clause 71 of the post office list.

The present rate charged is a quarter of a cent a pound. Under the new postal rates which are to go into effect, papers and periodicals if delivered by letter carrier, will be charged at the rate of one cent a copy and if not so delivered, at the rate of a quarter of a cent a copy. This will mean a very considerable increase in the cost of transmission. The reason given for this increase is the increased subsidy paid to the railways for the carriage of mails.

In a memorandum just issued explanatory of the new increase, the Minister states that while the cost of carriage has increased, the volume and size of newspapers has also increased. The press association he states has agreed that Canadian rates are abnormally low and should be increased. There will undoubtedly be strenuous opposition raised by the newspaper publishers to the new rates.

THREE SAILORS KILLED.

(Special to The Journal of Commerce.)

Quay, England, June 26.— Three sailors were killed and several wounded in an accident on board the British battleship Monarch to-day.

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"Cave of the Winds"
"Niagara Gorge Trip"
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